

**MINUTES OF REGULAR MEETING  
OPEN SESSION  
June 13 and 14, 2011  
ILLINOIS GAMING BOARD  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Monday, June 13, 2011 a Regular Meeting of the Illinois Gaming Board ("Board") was held on the 3<sup>rd</sup> floor at 160 N. LaSalle, Chicago, Illinois.

On Monday, June 13, 2011 at approximately 9:30 A.M. the following Board members were present: Chairman Jaffe, Members Charles Gardner, Eugene Winkler and Joseph Moore. At 9:40 A.M. on Tuesday, May 17, 2011, Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Personnel matters;**
2. **Investigations concerning applicants and licensees; and**
3. **Closed session minutes.**

Member Winkler seconded the motion. The Board approved the motion unanimously by voice vote. The Board recessed at 10:45 A.M.

On Tuesday, June 14, 2011 the meeting reconvened at 11:30 A.M. Present were the following Board Members: Chairman Jaffe, Members Charles Gardner, Eugene Winkler, and Joseph Moore.

The Board remained in Closed Session until approximately 11:45 A.M. The Board recessed and went into open session at 1:05 P.M. Present were the following: Chairman Jaffe, Members: Charles Gardner, Eugene Winkler, and Joseph Moore.

**APPROVAL OF MINUTES**

Member Gardner moved that **the Board approve the open session minutes of its Regular Meeting of May 18, 2011.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Gardner moved that **the Board approve the open session minutes of its Special Meeting of May 31 2011.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

## **CHAIRMAN'S REPORT/COMMENTS –**

Chairman Jaffe read the following statement in open session:

Last week I picked up a newspaper and read an article in which a legislator was quoted as saying the public has nothing to worry about – the Gaming Board would make sure that nothing bad would happen as a result of the latest gaming expansion bill. I was pleased to see that we received that vote of confidence but somehow I could not jump for joy at his optimism. I thought back some six years ago when this Board was first appointed. A heavy cloud hovered over the Board and very few people had confidence in the Gaming Board. In five years the reputation of the Board and staff has completely changed; going from a very low confidence to being highly respected. If you have attended these meetings you have heard people from all over the country come here and state over and over again that our staff is the most professional staff in the country. And I believe and most observers of gaming believe if you want to have a successful gaming industry you must have a well regulated industry. Good regulation breeds confidence. Bad regulation breeds distrust of the gaming board and the gaming industry.

Which brings me to the present gambling expansion bill. The bill passed by both houses of the legislature. That bill is a massive bill. It contains an immense amount of material much of which is very technical. I doubt that there are more than ten people in the state who have fully digested the material in that bill. It is four hundred pages long. It creates several new gaming boards in the City of Chicago and in Springfield at the State fairgrounds. It is vague in certain areas in that it does not clearly define boundaries between those boards and this Board. Poor boundaries mean disputes and court cases which this State doesn't need. It creates Racinos at the race tracks, also with poor boundaries on its regulation. It creates new casinos in cities and towns which by and large have never attempted to apply for licensure or have shown an interest in getting a license from this particular board. I would like to know how these areas were selected and why they have now come to life at this particular time. This Board spent months finding a place for the 10<sup>th</sup> license and these vicinities were never mentioned. It provides for slots at the airport under the jurisdiction of the City of Chicago.

This bill also deals with video gaming providing the provisional licenses to establishments before being thoroughly vetted by this agency. No one should get a license without being vetted. Who would possibly want such a measure.

It eliminates the requisite finger printing for licensure at race tracks. Fingerprinting is required for checking criminal backgrounds. If this happens at the track you can be sure that casino gaming, video gaming and all other gaming will not be far behind. Is this good regulation – I do doubt that anyone who hears this will think so.

I could go on and on for hours about the myriad of subject contained in the bill but I think you get the picture. This particular bill does not appear to take into account the mechanics of implementation. This bill is not funded. Just as video gaming was not funded. When funding occurred we were told that our head count would go to 300. Despite promises our headcount still stands at 210. If the expansion bill is signed into law our staff will have to double in size in order to do an adequate job of regulating. Will this money be forthcoming; I'm sure the

legislature will tell you of course it will; but I do not believe their promises anymore. I want to see what they do rather than what they say.

Now I read that by a parliamentary procedure the bill is held in suspension while the pushers of the bill determine how to craft this bill in order to avoid a veto by the Governor and they are trying to create an amendatory veto that the Governor will sign. I have not talked with the Governor. I will tell you that the amendatory veto law is a little bit complex, and some of the people that are pushing this just don't understand it. If this is what they are going to do, this State will be tied up in court for years.

I would suggest to you that this bill has taken a legislative journey that would shock our founding fathers.

This state is in financial trouble. If gaming is the way that our leaders want to go – so be it. But do not do it in this fashion. This bill was presented and passed in two days. It is chocked full of items stuck in that in my opinion would never pass on their own. These are items buried in 400 pages of boring materials that most people would never read and if they did; they would never like it.

So this is my suggestion. Have the Governor and the Mayor of the City of Chicago meet with the legislative leaders and other civic leaders before the bill is proposed and not afterward. Let these leaders get the advice of experts in the field. Then let them introduce a clear concise bill that has public support. Do not put in material that is so bad it has to be buried to pass. Make sure that other legitimate businesses are not cannibalized. Minimize social ills. There are a million things they have to do. I will be very polite now and say that you can't make perfume out of a pile of garbage.

### **ADMINISTRATOR'S REPORT –**

The Administrator stated that staff is continuing to work with Midwest Gaming personnel to get the 10<sup>th</sup> license operational. Construction is still on-going, hiring efforts are still on-going, our licensing efforts are still on-going, and they are preparing for testing and a practice gaming session. Target date is for mid July.

Erin Alexander is leaving our staff and we want to thank her and wish her well.

The Chairman echoed what the Administrator had said and stated that he wishes Ms. Alexander well.

### **PUBLIC COMEMNTARY –**

Rodney Phillipe, General Counsel of Hollywood Casino Aurora appeared before the Board and introduced the new General Manager of Hollywood Casino Aurora, Mr. Himbert Sinopoli. Mr. Sinopoli introduced himself to the Board and gave a brief synopsis of his career.

## **OWNER LICENSEE ITEMS**

- Items for Initial Consideration –

Penn National gaming, Inc – Refinancing of its Existing Senior Debt and Credit Facility

Mr. Paul Jensen appeared before the Board.

- Casino Queen, Inc. – Re-financing of Existing Credit Facility

Mr. Jeff Watson, General Manager of the Casino Queen appeared before the Board along with Bill Vandersand, Legal Counsel.

Member Winkler moved **pursuant to section 3000.230(d),(1),(C) of the Board’s Adopted Rules to approve Casino Queen, Inc.’s request to refinance its existing debt under its current Construction and Reducing Revolving Credit Agreement, as described in supporting documentation provided to staff.**

Member Winkler further moved that **the Board delegate to the Administrator final signatory approval once all transactional loan documents and loan schedules are completed.**

Finally, Member Winkler moved that **the Board delegate to the Administrator the authority to approve subsequent affiliated contractual arrangements associated with converting the floating interest rate on the new Senior Secured Credit Facility to a fixed rate.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Midwest Gaming & Entertainment, LLC – BOBLO 6, LLC, Robert Ontiveros, Christopher Ontiveros, Maria E. Ontiveros, Allie C. Ontiveros, WAJ, LLC, Gregg Ontiveros, VCI Casino Partners, LLC, Arthur Raymond Velasquez, Nannette Zander, Renee Togher, Suzanne Velasquez-Sheehey, Debra Velasquez Sasse, MAZECA DesPlaines, LLC, Eric D. Mullins and Desiree K. Rogers – Owners

Legal Counsel John Janicik appeared before the Board.

Based on a review of staff’s investigation and recommendation, Member Moore moved to **approve the following individuals, who are a “minority person” or “female” as defined under the Illinois Riverboat Gambling Act and who intends to indirectly own interest in Midwest Gaming & Entertainment, LLC through Casino Investors, LLC.**

1. **BOBLO 6, LLC;**
2. **Robert Ontiveros, Managing Member;**
3. **Christopher George Ontiveros, Trustee;**
4. **Maria E. Ontiveros, Member;**
5. **Allie C. Ontiveros, Member;**
6. **Gregg Allen Ontiveros, Trustee;**

7. WAJ, LLC;
8. Gregg Allen Ontiveros;
9. VCI Partners, LLC;
10. Arthur Raymond Velasquez;
11. Nannette Velasquez Zander;
12. Renee Togher;
13. Suzanne Velasquez Sheehy;
14. Debra Velasquez Sasse;
15. MAZECA DesPlaines, LLC;
16. Eric D. Mullins; and
17. Desiree K. Rogers.

Member Moore further moved **pursuant to Section 3000.235 of the Adopted Rules to approve the corresponding redemption of interests in Midwest Gaming Holdings, LLC from CVG Chicago Gaming, LLC and High Plains Gaming, LLC and the issuance of interests to Casino Investors, LLC consistent with the financing documents previously provided to the Board.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Midwest Gaming & Entertainment, LLC – Heiji Choy Black, Kaisa Woo and Amy C. Close – Owners

Legal Counsel John Janicik appeared before the Board.

Based on a review of staff’s investigation and recommendation, Member Gardner moved **to approve the following individuals, who are “minority persons” or “females” as defined under the Illinois Riverboat Gambling Act and who intend to indirectly own interests in Midwest Gaming & Entertainment, LLC through High Plains Gaming, LLC.**

1. Heiji Choy Black;
2. Kaisa Woo; and
3. Amy C. Close.

Member Gardner further moved **pursuant to Section 3000.235 of the Adopted Rules to approve the corresponding redemption of interests in Midwest Gaming Holdings, LLC and the issuance of interests to High Plains Gaming, LLC consistent with the financing documents previously provided to the Board.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Midwest Gaming & Entertainment, LLC – Tanyala Rodgers – Owner

Legal Counsel John Janicik appeared before the Board.

Based on a review of staff’s investigation and recommendation, Member Winkler moved **to approve the following individual, who is a “minority person” or “female” as**

defined under the Illinois Riverboat Gambling Act and who intends to indirectly own interest in Midwest Gaming & Entertainment, LLC through High Plains Gaming, LLC.

### 1. Tanyala Rodgers

Member Winkler further moved **pursuant to Section 3000.235 of the Adopted Rules to approve the corresponding redemption of interests in Midwest Gaming Holdings, LLC from CVG Chicago Gaming, LLC and High Plains Gaming, LLC and the issuance of interests to Casino Investors, LLC consistent with the financing documents previously provided to the Board.**

Member Winkler further moved **pursuant to Section 3000.235(b) of the Adopted Rules to approve the pledge by Tanyala Rodgers of her interests in High Plains Gaming, LLC as collateral for her obligations under a note to be issued by Greg Carlin consistent with the financing documents previously provided to the Board.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Hollywood Casino Aurora, Inc. – Anthony E. Carolo, VP of Casino Operations –Level One

Rodney Phillipe, General Counsel of Hollywood Casino Aurora appeared before the Board along with Mr. Carolo.

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve Anthony E. Carolo as an Occupational Licensee Level One in the position of VP of Casino Operations for Hollywood Casino Aurora, Inc., in Aurora, Illinois.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

### **SUPPLIER LICENSEE ITEM**

- Aristocrat Technologies, Inc. – License Renewal

Legal Counsel Ed Winkofsky appeared before the Board.

Based on a review of staff's investigation and recommendation, Member Gardner moved that **the Board approve the renewal of Aristocrat Technologies, Inc. for a term of four years expiring in June, 2015 to manufacture, sell or lease electronic gaming devices to licensed riverboat casinos in the State of Illinois, pursuant to the requirements of the IGB as listed in the Adopted Rules.**

Furthermore, Member Gardner moved that **the IGB designate and approve the following business entities, positions and individuals as Key Persons of Aristocrat Technologies, Inc.:**

1. Aristocrat Leisure Limited;
2. Aristocrat International Pty. Limited;
3. Chief Executive Officer, Aristocrat Technologies, Inc.;
4. Chief Operating Officer; Aristocrat Technologies, Inc.;
5. Nicholas Khin; and
6. Seamus McGill.

Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

### **OCCUPATIONAL LICENSES APPROVALS & DENIALS – LEVEL 2s & 3s**

Based on staff's investigation and recommendation, Member Winkler moved that **the Board approve 39 applications for an Occupational License, Level 2, and 85 applications for an Occupational License, Level 3.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

### **PROPOSED COMPLAINT AND DISCIPLINARY ACTION**

- Ronald T. Trotter – Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Ronald T. Trotter, an Occupational Licensee, for failing to disclose all material changes in information to the Board.**

Further, Member Moore moved that **the Board fine Ronald T. Trotter \$500. Said fine not to be paid directly or indirectly by the Owner Licensee and said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Tulia Babwiriza – Occupational Licensee

Based on staff's investigation and recommendation, Member Gardner moved that **the Board issue a Disciplinary Complaint against Tulia Babwiriza, an Occupational Licensee, due to her taking a tip from a table at Player's Buffet restaurant that was being waited on by a co-worker buffet server.**

Further, Member Gardner moved that **the Board revoke Tulia Babwiriza's Occupational License. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Nicole M. Bolognani – Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Nicole M. Bolognani, an Occupational Licensee, due to her admitted theft from bills in her cash drawer.**

Further, Member Winkler moved that **the Board revoke Nicole M. Bolognani's Occupational License. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Empress Casino Joliet Corporation d/b/a Hollywood Casino Joliet – Owner Licensee, Jonathan David Johnson and Anna Marlene Loesch – Occupational Licensees

Based on staff's investigation and recommendation, Member Moore moved that the **Board issue a Disciplinary Complaint against Empress Casino Joliet Corporation d/b/a Hollywood Casino Joliet, an Owner Licensee, and Jonathan David Johnson and Anna Marlene Loesch – Occupational Licensees, due to Hollywood Joliet implementing several changes to its reporting structure prior to approval of a change to its Internal Controls, in violation of the Board's Adopted Rules.**

Member Moore further moved that **the Board impose a fine of \$50,000 on Empress Casino Joliet Corporation d/b/a Hollywood Casino Joliet. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.**

Member Moore further moved that **the Board suspend the occupational license of Jonathan David Johnson for 3 work days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.**

Member Moore further moved that **the Board suspend the occupational license of Anna Marlene Loesch for 3 work days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.



At 1:45 P.M. Member Winkler motioned to adjourn and Member Gardner seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta  
Secretary to the Administrator